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THE SEPARATION OF STATE AND
LOCAL REVENUES ¹

SUMMARY

I. The advantages claimed for the plan of separation, 438. — II. First criticism. separation would not necessarily ensure a just distribution of state taxation, 441. — Second criticism: separation would not necessarily lead to a full valuation of property subject to local taxation, 446 — Third criticism: separation would not end diversity of local interests in tax legislation, 449. — Fourth criticism: local option in taxation is undesirable, 451. — Fifth criticism: it is undesirable to abolish direct state taxation, 453. — III. Conclusion, 456.

I

AMONG plans for the reform of American taxation the proposal to separate the sources of state and local revenues holds a conspicuous place. Eminent authorities declare it the "necessary starting point of reform," and "the indispensable initial step" to any substantial progress. In one commonwealth complete separation has already been effected, and in a number of others the process is thought to be well advanced. Yet there has always been dissent, and of late the plan has encountered increasing criticism

¹ An Address delivered before the League of Virginia Municipalities, Oct. 7, 1909.

from persons sincerely interested in the cause of tax reform.

As the name implies, the proposal is that state and local revenues shall be drawn from separate sources. When first advanced, the plan was that the states should derive their income wholly from taxes on inheritances, corporations, and some other independent sources, and that local revenues should be raised by taxes on property. More recently, and as an alternative, it has been proposed that only part — tho perhaps the greater part — of the state revenues shall be raised by independent taxes, and that the remainder shall be obtained by a direct tax apportioned among the local bodies in proportion to their respective local revenues or expenditures. In both the original and the alternative forms, plans for separation usually, tho I believe not necessarily, contemplate that the local governments shall be left comparatively free to determine what property shall be taxed and what exempted from local taxation. And in both, the essential feature is declared to be that there shall be no direct state tax apportioned among local units according to their assessed valuation.

The advantages claimed for the plan of separation are numerous, but the more important are four in number. The first is that existing inequalities in state taxation would be removed, and substantial justice reached in the distribution of the burden. Boards of equalization have signally failed to secure a just apportionment of direct state taxes distributed according to valuation, and must always fail, since they have imperfect knowledge of local conditions, are subject to pressure of local interests or the vicissitudes of politics, and in any case would be impotent

to overcome the mutual mistrust and antagonism of local taxing authorities. But if the states, following natural lines of demarcation between central and local functions, create independent revenues from inheritances, corporations, and other sources, it is said that a just distribution will be automatically secured — the states retaining what properly belongs to them and leaving to the localities the general mass of property naturally subject to local jurisdiction. And if more money is needed than the states can conveniently obtain from independent taxes, it is believed that the plan of apportioning a direct tax according to local expenditures or revenues offers a just method of distribution requiring for its administration nothing but the collection of accurate statistics.

The second advantage is said to be that the abolition of the state tax apportioned according to local valuations will remove the inducements to undervalue property subject to local taxation, and lead automatically to full and fair valuations. In any event, boards of equalization will no longer be necessary, since it will be immaterial to the taxpayers of one county whether property in other counties is assessed at fifty, sixty, or one hundred per cent of its true value. And it is sometimes added that for purely local taxation it makes no difference to any one whether there is a low valuation of property with a high tax rate or a high valuation with a low tax rate.

The third benefit expected to result from separation is that such an adjustment of state and local revenues would remove that diversity of local interests which in our legislatures blocks most attempts to modify tax laws, and would open the way for other desirable changes. The direct state tax, apportioned according to valuations, binds each locality to every

other in a single system which is hard to alter since any change may affect adversely the interests of particular localities, or, what is the same thing so far as legislation is concerned, may be feared to affect those interests adversely. With this tax either removed or apportioned according to local expenditures, it is believed that local suspicions and antagonisms would largely disappear, and that progressive legislation would become possible. It is chiefly for this reason, I take it, that separation of state and local revenues has been considered "the necessary starting point of reform."

And the fourth advantage usually, tho not always, claimed for the plan is that, under it, the various local governments might be granted either partial or complete freedom in selecting methods of taxation. This I believe to be no necessary part of the scheme, since it is conceivable that a state, after establishing independent revenues for its own use, might consider it safer to prescribe the methods by which local revenues should be raised. But it is usually set forth as one of the chief advantages of separation, and under the caption "local option," "home rule in taxation," or some other attractive name of supposedly popular character, figures prominently in plans of tax reform. The chief reason advanced in its favor is that, since local conditions differ, each community should be free to adjust its fiscal system to its own needs and should be free to work out its own salvation in matters of taxation. Uniformity in tax laws is considered undesirable, and the need of the time is declared to be freedom of experimentation.

II

This is the case in favor of separation. Its strength at some points must be frankly conceded, and it is supported by weighty authority. I must add that formerly, and largely through respect for authority, I fully accepted the proposal. Further study, however, has brought change of view, and compels me to join the dissenters.

In the first place I can see no guarantee, or even probability, that separation would ensure a just distribution of the burden of state taxation. It is proposed to create independent sources of revenue in conformity with the natural division of state and local functions, and it is thought that in this manner a just distribution will be reached automatically. But there is no necessary and automatic connection between the division of governmental functions and the apportionment of sources of revenue. The former should be determined primarily with reference to convenience and efficiency of administration; the latter should depend chiefly upon comparative fiscal needs and resources. The national government charters and regulates national banks, but concedes to the states, under proper restrictions, the power to tax the capital stock and real estate of these institutions; and if it ever grants charters of incorporation to companies engaged in interstate commerce, we cannot doubt that the states will retain power to tax the property of such corporations. In these cases the governmental function is of a national character, but the property remains subject to state and local taxation because fiscal, and doubtless political, conditions require that it shall so remain. And similarly

with the relations between the states and the local governing bodies. The State of New York administers the liquor license tax and shares the revenue with the local bodies; in Massachusetts the towns and cities administer this tax and share the revenue with the commonwealth. What natural and automatic connection is there in these cases between the division of functions and the apportionment of revenue? So far as any rational principle controlled the latter, it was probably the consideration of fiscal needs; but it is probable also that politics was the chief factor controlling the division. I do not say that there is never a coincidence between the allotment of functions and the allotment of revenues, — indeed, the customs revenue of the national government furnishes an example of such coincidence; but I do maintain that the controlling factor in the distribution of functions is administrative convenience, that the controlling factor in the assignment of revenues should be comparative fiscal need, and that between the two there is no necessary and automatic connection.

This conclusion is readily confirmed by study of the particular sources of revenue which it is proposed to allot the states. The inheritance tax is always on the list, and in the United States the propriety of such allocation cannot be questioned at the present day. But this is because the tax takes from the local bodies nothing that they formerly possessed, and because, further, the yield is not large as compared with the needs of the states. If fiscal conditions were different, it might be convenient to divide the proceeds between the central and local governments, as is done in Great Britain with the proceeds of the death duties. Fiscal convenience, evidently, is the controlling factor,

and not an automatic connection between governmental functions and sources of revenue.

Taxes on corporations, particularly tho not exclusively public-service corporations, are considered also to belong peculiarly to the states. If the taxes in question are confined to small annual payments for the franchise, as in New Jersey, I have no quarrel with the convenience of the arrangement. But if, under whatever guise or name, they are collected practically from property thereby withdrawn from local taxation, I deny that the arrangement is necessarily convenient or just. I do not question in the least the desirability and even necessity of the assessment of many kinds of corporations by state boards, or even the collection of corporation taxes by the states. But when a state appropriates to its own use the revenue from such sources, it is distributing the burden of state expenditures among the local units in proportion to the number and extent of the incorporated enterprises in each district, and this process results in a hit-or-miss distribution that accords with no conceivable principle of justice. True, the taxable values of some corporations, as railroads, are hard to localize; but this does not justify the state in assessing no tax upon districts not reached by railroads, a light tax upon localities where the roads occupy land of little value, and a tax of crushing weight upon a terminal city. It may well be that the tax should not be allotted wholly to the localities traversed by the roads — I cannot undertake in this paper a solution of the problem; but I maintain that the state has no natural and necessary right to the entire tax, and that the proper solution must be distribution in accordance with fiscal needs, and not distribution in conformity to governmental functions.

Many other examples might be given; I have time to cite but a few. If I deposit money in a national bank in Cambridge, I am required to pay the regular local tax on such deposit, but if I cross the street and place the money in a savings bank the tax will be paid by the bank and appropriated for the use of the state. If Smith, Jones, and Brown form a partnership to conduct some form of mercantile business in Boston, they will pay a local tax on their merchandise and other stock in trade. But if they incorporate under the laws of the commonwealth, the tax, according to the advocates of separation, naturally belongs to the state and not to the city in which the business is carried on. Search as you will, you will find no necessary and natural connection between the action of the state in chartering or regulating corporations and the just allocation of taxes assessed on the property or business of incorporated companies.

And the same is true of the other proposed sources of independent revenue for the use of the states. The controlling consideration always should be of a fiscal character, tho in practice it is quite as likely to be political. The withdrawal of property from local taxation, either partly or wholly, merely distributes the state taxes in proportion to the respective interests of the different localities in such property, and can give no assurance of a just distribution.

There remains the alternative plan that a substantial part of the state revenue be raised by a direct tax apportioned according to local expenditures or revenues. In support of this it is said that the amount of money expended for local government is a fair index of a community's wealth and of its ability to contribute to the support of the state government. With

individuals it would probably be admitted that expenditure is not a satisfactory index of ability, but with communities the case is thought to be otherwise; and the further suggestion is made that a state tax apportioned according to expenditures would be a salutary restraint upon local extravagance.

I must admit that when this proposal was first advanced it impressed me as attractive in many ways; but I now believe that there is a better remedy for existing inequalities in the apportionment of state taxes, and that this method of distribution is unjust and in other ways undesirable. It is unjust because communities, like individuals, differ in need and in disposition to adopt a liberal scale of expenditure. Their needs differ on account of differences in situation and in the character of their population; and to tax in proportion to expenditures absolutely necessary for public works, public schools, and protection to life or property, is to tax the more necessitous communities for the benefit of the more fortunate. Again, communities differ in their disposition to provide improved forms of public service which modern conditions make highly desirable. Better schools, improved highways, increased care for public health and sanitation, more intelligent and humane treatment of dependent, defective, and delinquent classes — these things are imperatively required by the conditions of our age; and to impose a larger share of state taxation on the communities that exhibit the most progressive spirit would be extremely shortsighted and objectionable. By so doing we might, indeed, curtail local expenditures, but we should certainly repress many desirable improvements in public service. Extravagance, no doubt, exists, and is always to be deplored; but I am not anxious to see

it checked in any way except by improvement in the spirit and methods of government, and least of all by a method that taxes progressive communities for the benefit of unprogressive. For these reasons I hold that apportionment by expenditure would overtax the least fortunate, place a penalty on progress, and divert attention from the true method of dealing with local extravagance.

To meet such criticism it has been said that, after all, the state taxes are comparatively light, so that the objection has little force. This is true in some states, as in Massachusetts, but is absolutely untrue in others where the outlay of the commonwealth is a very large part of the total expenditure. It can be true in very few states that levy a state tax for the support of public schools; and wherever such a levy is made, apportionment by expenditure would be likely to defeat the very purpose of the school tax, which is to equalize educational opportunities. Since another remedy can be found for existing evils, I believe that the proposed method of apportioning the state tax must be rejected without reservation or qualification.

My second general criticism of the plan of separation is that it will not remove all inducements to undervaluation of property subject to local taxation, or lead automatically and surely to full and fair valuations. Abolition of the state tax or apportionment by expenditures would undoubtedly remove one inducement to undervaluation, but unfortunately there are others. First there are the county taxes, which in the United States in the year 1902 exceeded by seventy-five per cent the direct taxes levied for the use of the states and territories. There may be states in which conflicts of local interests do not

arise within the separate counties, but in many, if not most, county assessments are now vitiated by the same forces that affect so unfortunately the apportionment of the state levy. In all such cases separation would hardly reach the roots of our present difficulties. A second reason for the continuance of local undervaluation is the fear of taxpayers that, if property is assessed at its true value, the ultimate result will be not a lower tax rate but larger expenditures and an increase in the actual burden of taxation; and the experience of some communities that have raised valuations with a view to reducing tax rates lends some force to this apprehension. And a final reason is that the full and fair assessment of all property, even real estate, is not a simple task, as sometimes assumed; but a work requiring skill, experience, and freedom from political or personal influence. In the State of Wisconsin the opinion of the best judges is that the practical separation of revenues there accomplished has not affected appreciably the work of local assessors. The truth is that the evils of which complaint is made are more deep-seated than the advocates of separation have ever realized, and would not be removed by the plans they propose.

But it is said that undervaluation, even if it were to continue, would not be a thing of much importance after the state tax had been abolished, since it would work no injustice between different counties. And, for local purposes, there is said to be no difference between a low valuation with a high tax rate and a high valuation with a low tax rate. This I believe to be a great mistake. In the first place if the law now prescribes assessment at the true value, it should be either obeyed or amended; and boards of assessors

who wilfully disregard the statutes at one point are almost certain to violate them at others. Can the habitual disregard of laws relating to taxation be admitted to be a matter of little moment? And in the second place it seems clear that the true rule is assessment at the full value, if we wish to secure equality of individual assessments within the same community. Investigations have shown that when assessors, with the best intentions, undertake to undervalue all property at some uniform percentage, say seventy per cent, they will value some parcels of real estate as low as twenty per cent of the true value and others as high as one hundred and twenty per cent. For this there is a simple explanation. If the practice is to assess realty at its true value the assessor has a definite mark at which to aim, and the taxpayer a definite standard by which to compare his own assessment with his neighbor's; but when undervaluation prevails the work is beset with uncertainty, the detection of errors is difficult, and glaring inequalities escape notice.

Not only should local officials aim at a full valuation of taxable property, but it is becoming increasingly clear that in this work they should have the advice, support, and, when necessary, compulsion of the state. Experience shows, both in this and other countries, that local assessments of property, income, or business need constant supervision and control by some central authority. I do not refer to mere "equalization" by boards of the old-fashioned type, but to genuine supervision, by commissions clothed with necessary authority over the methods and, when necessary, the details of local assessments. This raises a question too large to be considered adequately here; and I can only refer you to the work accom-

plished by such commissions in Indiana, Wisconsin, Minnesota, Washington, and a few other states, which has been described in various papers contained in the Proceedings of the International Tax Association. I am aware that centralization has its disadvantages as well as advantages; I could even wish that in this case it were not necessary; but I am convinced that local boards of assessors need to be supervised by a central body of experts, specialists in their appropriate field, and free from personal, local, or political influences. Instead of abandoning the effort to secure full and fair valuation, the duty of the state, after enacting a rational system of tax laws, is to insist upon the strict enforcement of those laws in letter and in spirit. This may be a difficult task; it certainly will not be accomplished in a day. But this is no reason for discouragement, and certainly no excuse for taking what can plainly be seen to be a step in the wrong direction.

The third criticism of the program of the separationists is that it would not put an end to diversity of local interests in tax legislation. At some points, I concede, it might do so; but at others the old antagonisms would remain, and would lead to most unfortunate consequences. For the independent revenues of the states must come from somewhere, and most of the special taxes which it is proposed to assign the commonwealths can be seen clearly to burden some localities more than others. All of the plans with which I am familiar would have for their net result the shifting of a considerable share of state taxation from rural districts to urban, and particularly to the larger urban centers. Indeed this is frankly avowed by leading advocates of separation, and considered to be one of the merits of the plan. Whether, in view

of the problems confronting the modern city, such a result is desirable, I cannot now consider; but the transfer of burdens must arouse the same local antagonisms that attend the apportionment of our present state taxes, and in the process city interests would be arrayed against country as they so often are in our legislatures and boards of equalization.

In Massachusetts the problem of distributing the proceeds of the general corporation tax has for years arrayed the residential towns and cities against the manufacturing and commercial centers, principally the city of Boston. In Connecticut, during the past winter, it is reported that the problem of raising additional revenue for the state brought on a contest between city and country interests. In the state where complete separation has been accomplished, the division of the liquor license tax and the enactment of a tax on stock transfers seem to have arrayed the virtuous and unselfish "up-state" counties against the wicked city of New York. If you will read the reports of tax commissions that have recommended plans for separating state and local revenues, you will find that altho appeal is made to abstract justice or scientific principles of taxation, care is usually taken to construct statistical tables showing that a majority of counties, or towns and cities, will pay less under the new arrangement than under the old. And as for the average legislator, you may rest assured that, while he will cheerfully agree with you that what we want is fair play and a square deal all around, his first, and usually last, question will be, How does your scheme affect my district? Until you can devise taxes that come from nowhere and are paid by no one, you may depend upon it that the quest of new sources of state revenue ordinarily means a search

for taxes that some other fellow or other district will have to pay, and that imposts of most objectionable character may be established if thereby a combination of towns or counties can unload state charges on one or more large cities as convenient beasts of burden. If the time has come or ever shall come when taxes resting upon country districts must be transferred to large cities, I submit that the transfer should be effected according to some rational principle, and not by the hit-or-miss methods contemplated by the advocates of separation; and venture the further suggestion that we cannot expect to effect the change without arousing local jealousies and antagonisms.

A fourth criticism concerns the proposal usually made by separationists to confer upon local governments freedom to devise their own systems of taxation. This is advocated by those who believe that taxes on personal property ought to be abolished, and think that if local option were permitted, some communities, perhaps many, would grant such exemption. It is favored also by our friend the single taxer, who hopes that some communities would elect to place all their taxes upon land values. Neither the merits of the single tax nor the desirability of exempting personal property can be considered in this paper; I can only state my opinion that the remedy for the shocking evils that now exist is to be found in a proper classification of property for taxation, coupled with state supervision of the work of assessment. From my own point of view, therefore, local option, or home rule in taxation, has no attractions; and it must be still less attractive to those who believe that all property should be taxed at a uniform rate.

The reason usually assigned for the proposal is that local conditions differ very widely, and that each

community is the best, indeed the only, judge of its own needs. But I believe that there are few advocates of local option who, after prolonged consideration of such diversities, would not in any concrete case recommend either total exemption of all personalty or the single tax. And I have often heard the opinion expressed that if any locality should hold out to investors the prospect of total exemption of personal property, — to say nothing of exemption of improvements on land, — capital and industries would migrate to that district in such volume that other places would be forced to grant similar exemptions if they desired to retain any part of their movable wealth. I cannot, then, believe that the real purpose of most advocates of the plan is anything but the ultimate establishment of a uniform system of exemption of certain classes of property, and the concentration of local taxes on real estate or on land values alone. Such a program is difficult to carry through state legislatures where the farmers have a voice, but it might readily be accepted in large cities where only a small fraction of the voters are owners of real estate. Until we are prepared to accept state-wide uniformity in the concentration of local taxes upon real estate or land values, we are bound to oppose local option as a remedy for real or alleged diversities of local conditions and needs.

If, however, I am wrong in believing that the purpose and possible result of local option is what I have represented it, and if the outcome of the experiment would be the establishment of diverse local methods of taxing many or most kinds of property and business, it is easy to show that such diversity, unless narrowly restricted by state law, would give rise to undesirable, even intolerable conditions. Suppose that one county

should decide to tax mortgages as an interest in real estate where the land lies, that another continues to tax mortgages as personal property, and that the state, in its quest of independent revenues, establishes a recording mortgage tax. Then the interest the mortgagee has in the land would be taxed in the first county, the mortgage note might be taxed in the second, and the state would impose a third tax at the time the mortgage was recorded. In the assessment of taxes on business enterprises owning property and conducting operations in two or more places, similar opportunities would exist for double or multiple taxation; and other cases would probably arise in which similar injustice would be perpetrated. So far as I know, no country permits any such degree of local option, and the only result in the United States would be local chaos, assuming still that most forms of property and business would remain on the list of taxables. This is not to say that no latitude whatever should be allowed local governments. Such a tax as the habitation tax, which does not affect the distribution of capital or offer opportunity for unjust double taxation, might be introduced, if any community desired it, in connection with other taxes; and there may be one or two other taxes the use of which could safely be made permissive. But with such possible exceptions, the forms and methods of local taxation should be prescribed by state law, and few things could be more undesirable than the wide discretion it is proposed to grant local governing bodies.

A fifth and final criticism lies against that form of separation which contemplates drawing all the revenue of the states from independent sources, without a direct tax of any sort or description. To this the objection is that it leaves the states without an elastic tax

which can readily be increased when more revenue is needed, and reduced when a surplus is foreseen. Taxes on inheritances ought to be levied at unchanging rates in order to secure equality in the distribution of their burden; nothing can be more unequal than to tax at a high rate an estate probated in a year of a deficit, and to tax at a low rate one that is transferred in a year that shows a surplus. Taxes on corporations are either levied at fixed rates, or at rates depending on the aggregate of local taxation. They might be made to vary with the needs of the commonwealth, but such a proposal would probably encounter so much opposition as to postpone to the Greek Kalends a plan of separation contingent upon its acceptance. And so with the other sources of independent income; they should not, or probably could not, be made variable taxes.

There may be states in which inelasticity of revenue would cause no embarrassment; in which expenditures would not outstrip the natural increase of the income from established taxes, and in good years a surplus would be set aside to provide for the lean ones. This has been said to be true of New Jersey and Pennsylvania. But I apprehend that in most states the abolition of the direct tax would remove a necessary check on public expenditures. Experience shows that legislative bodies will usually spend all the revenue drawn from indirect taxes or from taxes on inheritances and corporations, since these are not felt sensibly by the average taxpayer; and in good years will regard a surplus merely as a reason for increased appropriations. This is not mere speculation. It has been, notoriously, the experience of our national government, and is confirmed by the experience of not a few states.

For it should not be forgotten that during the first half of the nineteenth century separation of revenues was attempted in a number of states. The experiment has never been fully studied, and the results were complicated by the fact that at the same time extensive public works were undertaken with borrowed money. But I think it can be shown that in most cases, even when allowance is made for unwise use of public credit, the usual result of abolishing direct state taxation was an unprecedented increase in ordinary expenditures. My own state (Massachusetts) affords a particularly good field for study, since the experiment was hardly affected by the use of loans; and it is too clear to admit of doubt that from 1825 to 1853 the attempt to dispense with direct taxation resulted in loss of control over state outlay.

Concerning the present working of complete or partial separation in the states where it now prevails, I speak with diffidence, for I have been unable to study the situation at first hand. But it is a fact that in New York expenditures increased from \$12,934,000 to \$34,589,000 during the fifteen years ending in 1908, and that, altho opinions differ, there are well-informed persons who believe that abolition of direct taxation is responsible for a considerable part of the increase. In New Jersey the condition of the state's finances was the subject of a special message from the Governor last January, and altho that document denies that expenditures have been extravagant, it states that the condition of the treasury is such that the legislature ought either to appropriate to the use of the state certain revenues formerly distributed to the counties or levy a direct tax. In Connecticut I find that during the decade ending in 1908 expenditures

rose from \$2,530,000 to \$4,741,000, that the official best qualified to judge declares "the abolition of a direct state tax has led to extravagance in expenditure," and that the present year the legislature was obliged to levy a direct tax, the first since 1890. And finally it is a significant fact that whereas the original proposals of the separationists contemplated the abolition of direct taxation for the support of the state, the plans now current usually provide for a direct tax apportioned according to local expenditures.

III

Thus far, and not without regret, I have offered you little but destructive criticism. I trust, however, you have not formed the impression that I am satisfied with existing methods of taxation, either state or local; or that I think there is no remedy for the evils admitted to exist. Will you permit me to state in the fewest possible words what I believe to be a wise and practicable solution of the problem?

There are, undoubtedly, certain taxes which should be reserved for the use of the states. One of these is the inheritance tax, which takes from the localities nothing in the way of revenue which they formerly possessed and is collected with approximate equality from property in all parts of a commonwealth. A second may well be a light tax on the franchises of all corporations, which is a reasonable payment for something which the state confers and is not in derogation of the taxing power of counties or municipalities. Third in order are the usual taxes on insurance companies, which reach taxable values distributed with some approach to equality and never, so far as I recall, subject to local taxation. Further than this the

question is less clear, tho perhaps the states may reasonably claim a portion of the taxes collected from railroads and from telegraph, telephone, express, and parlor-car companies, since these fall in part upon intangible values hard to localize and belonging naturally to no one district rather than another. And finally, in view of their increasing outlay for dependents, defectives, and delinquents, the commonwealths may fairly claim part of the liquor license taxes, since the business taxed contributes in some degree to the production of pauperism, disease, and crime.

After this allocation of revenues to the states, the remainder of their income should be drawn from direct taxation. If, in any case, the revenue from the specified independent sources equals or exceeds the needs of the treasury, a larger part of the taxes on transportation companies should be assigned to counties or municipalities, in order that the legislature may not be freed from the restraints imposed by an annual or biennial accounting with the people. The apportionment of the state tax may not be an easy task, but an intelligent revision of our laws relating to the taxation of property will remove all serious difficulties.

As the source of local taxation we must assign property and business generally, undiminished by the hit-or-miss reservation of important classes for the exclusive service of the state. But I speak not of a general property tax, levied as at present at a uniform rate; for that has proved the abomination of abominations, and cannot be amended until we learn to classify property in a rational manner and adjust the rates and methods of taxation to the economic nature and needs of each class of taxable objects. The method of classification, I need hardly add, should

be prescribed by the state; and the process of assessment should be under strict and direct state supervision, tho performed by local officials. The result, I believe, will be a reasonably full and fair assessment of taxable property; not instantly, perhaps, since new methods are not learned perfectly in a day, but ultimately and at no distant time. It is obvious, too, that such a consummation will solve the problem of the just distribution of the direct state tax.

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